



Office of Inspector General

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USAID Inspector General: Prompt Reporting of Fraud, Abuse Critical in Humanitarian Aid Programs

OIG Oversight Roundtable Highlights Anti-Fraud Lessons, Tactics for NGOs

Washington, D.C.—The U.S. Agency for International Development’s (USAID) Inspector General convened representatives from over 50 nongovernmental organizations (NGOs) to discuss ways of fighting fraud, waste, and abuse in humanitarian aid programs. The day-long roundtable provided information on evolving fraud trends, mitigating the risk of diverting funds and providing material support to terrorist and other armed groups, and addressing allegations of sexual abuse and exploitation of aid beneficiaries. The event underscored the importance of promptly reporting suspected fraud, waste, and abuse in USAID programs to the Office of Inspector General (OIG).

“Today’s roundtable drives home the important role that USAID implementers have in stopping and preventing fraud, waste, and abuse in the field,” declared USAID Inspector General Ann Calvaresi Barr. “Their vigilance on the frontlines of each humanitarian response is critical in helping us combat abuses that can harm the very people these aid programs are intended to serve.”

Humanitarian aid programs face significant and growing challenges, including ever-evolving fraud and corruption schemes by both organized criminal groups and opportunistic individuals. At today’s roundtable, OIG Special Agents described fraud trends and risks that threaten the effective delivery of aid and relief supplies in humanitarian crises. These include:

- **Diversion to Armed Groups**—a terrorist or other armed group restricts or redirects the delivery of humanitarian supplies away from intended beneficiaries and humanitarian funds diverted to these groups can fuel conflict;
- **Ghost Employees or Beneficiaries**—an individual or organization charges donors for non-existent staff or beneficiaries; and
- **Product Substitution**—a supplier replaces promised goods with a similar item of lesser value, while receiving payment for the higher quality item.

These and other schemes can result in less aid—or substandard aid—being delivered to intended beneficiaries, risking lives while enriching those preying upon U.S.-funded relief efforts.

USAID implementers working on the frontlines of a humanitarian response can often identify and report early signs of fraud, waste, and abuse to U.S. authorities. Under U.S. regulations, including those set by USAID, implementers should report suspected violations, including allegations of sexual misconduct, to the USAID OIG. At today's roundtable, attendees received OIG's latest fraud awareness handbook, *Compliance and Fraud Prevention: A Pocket Guide for Program Implementers*. The handbook is available on OIG's public web site (<https://oig.usaid.gov/>).

During the roundtable, Assistant Inspector General for Investigations Dan Altman presented lessons learned based on recent OIG investigations. These lessons spoke to the importance of early self-reporting of fraud, waste, or abuse affecting USAID-funded programming to USAID and OIG, including prompt disclosures of all allegations of sexual exploitation and abuse committed by NGO employees. "Implementers must understand fraud schemes and how their organizations—and the entire aid community—are at risk from fraudulent and abusive acts and behavior," said Mr. Altman. "OIG intends to keep this dialogue going so that everyone knows what to look for and how and when to report it."

The roundtable also featured a discussion panel that included senior representatives from OIG, as well as USAID's Office of General Counsel, Compliance Division, and the Action Alliance for Preventing Sexual Misconduct. The alliance is an intra-Agency alliance charged with leading USAID's work on addressing sexual misconduct in all forms, including harassment, sexual exploitation, and abuse.

USAID OIG's overall mission is to safeguard and strengthen U.S. foreign assistance through timely, relevant, and impactful oversight, including investigations and audits. OIG plays a critical role in the oversight of "overseas contingency operations," which are coordinated U.S. Government responses using military and diplomatic means, as well as foreign aid, to address certain crises abroad. OIG's Office of Investigations prioritizes efforts to detect, deter, and neutralize organized crime targeting USAID humanitarian operations and is committed to specifically responding to allegations of sexual abuse and exploitation. OIG provides fraud awareness briefings worldwide to continually educate agency and implementer staff on fraud schemes and how to prevent and respond to them.

USAID employees, contractors, grantees, and beneficiaries may report suspected cases of fraud, waste, or abuse to USAID OIG through its public website or by using the information below:

Telephone	Mail	Email
1 (800) 230-6539 or (202) 712-1023	U.S. Agency for International Development Office of Inspector General P.O. Box 657 Washington, D.C., 20044-0657 USA	ig.hotline@usaid.gov

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